

STATE OF HAWAII
STATE PROCUREMENT OFFICE
HONOLULU, HAWAII

Legal Ad Date: May 11, 1998

INVITATION FOR BIDS

NO. IFB-98-168-M

SEALED BIDS

FOR

FURNISHING AND DELIVERING
NEW PATROL VESSEL WITH CUDDY CABIN AND TRAILER
FOR DEPARTMENT OF LAND AND NATURAL RESOURCES
KAHO'OLAWA ISLAND RESERVE COMMISSION

will be received up to and opened at 2:00 P.M. H.S.T.

on

June 5, 1998

in the State Procurement Office, Kalanimoku Building, 1151 Punchbowl
Street, Room 416, Honolulu, Hawaii 96813.

Questions relating to this bid solicitation may be directed to
Mr. Marc Yamamoto at (808) 586-0569 or facsimile (808) 586-0570.

ROBERT J. GOVERNS, CPPB
Procurement Officer

NEW PATROL VESSEL WITH CUDDY CABIN AND TRAILER
 DEPARTMENT OF LAND AND NATURAL RESOURCES
 KAHO'OLAWA ISLAND RESERVE COMMISSION
 IFB-98-168-M

Procurement Officer
 State Procurement Office
 State of Hawaii
 Honolulu, Hawaii 96813

Dear Sir:

The undersigned has carefully read and understands the terms and conditions specified in the Specifications and Special Provisions attached hereto, and in the General Terms and Conditions dated September 1, 1995 by reference made a part hereof and available upon request; and hereby submits the following offer to perform the work specified herein, all in accordance with the true intent and meaning thereof.

The undersigned further understands and agrees that by submitting this offer, 1) he/she is declaring his/her offer is not in violation of Chapter 84, Hawaii Revised Statutes, concerning prohibited State contracts, and 2) he/she is certifying that the price(s) submitted was (were) independently arrived at without collusion.

Date: _____

Respectfully submitted,

Telephone No.: _____

Fax No.: _____

 Exact Legal Name of Offeror

Payment address, if other than
 street address at right:

 Authorized Signature (Original)

 Title

 Hawaii General Excise Tax Lic.
 I.D. No.: _____

 Street Address

 Social Sec. or Federal I.D. No.:

 City, State, Zip Code

If offeror shown above is a "dba" or a "division" of a corporation, furnish the exact legal name of the corporation under which the contract, if awarded, will be executed:

 Offeror is: ___ Individual ___ Partnership ___ Corporation ___ Joint Venture

State of incorporation: Hawaii _____ *Other _____

*If "other", is corporate seal available in Hawaii? ___ Yes ___ No

The following bid for NEW PATROL VESSEL WITH CUDDY CABIN AND TRAILER is hereby submitted:

One (1) only, New Patrol Vessel with Cuddy Cabin and trailer as specified herein:

Year of Production: _____

Make: _____

Model Name or No.: _____

Total Bid Price: \$_____

Vessel shall be delivered as follows within 120 calendar days from official commencement date on the Notice To Proceed.

Delivery Address

Kaho'olawe Island Reserve Commission
Young Brothers Dock
Kahului, Maui, Hawaii

Contact

Mr. Marc Hodges
Ocean Resource Manager
Telephone: (808) 586-0761
Facsimile: (808) 586-7589

Service & Repair Facility in the State of Hawaii:

Name _____

Address _____

Telephone No. _____

Facsimile No. _____

E-mail address _____

Contact: _____

Offeror_____

**SPECIFICATIONS FOR
PATROL VESSEL WITH CUDDY CABIN AND TRAILER**

SCOPE

The Kaho'olawe Island Reserve Commission is involved with government research, resource monitoring, and enforcement operations in the waters of the Kaho'olawe Island Reserve. The patrol vessel with cuddy cabin shall be involved in various multi-dive SCUBA operations by up to six (6) divers (lasting from 12 to 16 hours per day), and shall include enforcement patrols by teams of two to three personnel (lasting one to three days). It is estimated that the vessel shall be in operation at least 2,000 hours per year.

In addition to the detailed specifications listed herein, the following requirements shall form a part of these specifications:

- a. Vessel offered shall include any other standard features not listed herein but detailed in manufacturer's brochures and deemed necessary for the proper and safe operation of the boat.
- b. Manufacturer's standard warranty and warranty documents for the hull and engine, or as per detailed specifications, whichever is longer.
- c. Contractor shall provide owner-operator manual and one copy of the service/repair manual.
- d. Vessel shall include and comply with all applicable Federal, USCG, State and local safety ordinances. The vessel shall be built to meet or exceed Lloyd's A-1 Boat Building Practices; vessel and all components shall meet all applicable U.S. Coast Guard requirements for heavy-duty, non-commercial use in very rough offshore marine conditions.
- e. Vessel shall be completely serviced and in full operational condition upon delivery.
- f. Contractor shall coordinate with the State to schedule operator training demonstrating proper and safe operation of the vessel.

DETAILED SPECIFICATIONS

PROPOSED SPECIFICATIONS

Manufacturer: ALMAR Aluminum Marine Construction, Inc.,
Tacoma, WA., or preapproved acceptable product*

Model: "Sounder" aluminum boat with twin inboard diesel jet drives.

Dimensions: 30' LOA x 9'6" beam, 9'6" chine beam, 18 degree Vee, 45" sides.

Materials and components:	<p>All materials and components to be top-quality marine grade unless otherwise specified. All materials and components to be new. Used or remanufactured materials or components are not acceptable.</p> <p>Vessel to be of aluminum, 5086 .250" bottom, 5086.190" sides, 5086 formed strakes, under-floor foam flotation.</p>
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Layout: Foredeck with cuddy cabin and dry storage under, hardtop pilothouse with driver's dash on starboard side, two piece front windshield, 48" sliding side windows, 5'6" high head compartment under port dash, steps up to foredeck, anchor locker in foredeck, self-bailing deck with 4 scupper valves, raised self-bailing motor cover with two access hatches over engine space and sound proofing, two air inlet towers for engine combustion air, all walking surfaces with Durabak rubberized nonskid surfacing, Zolatone painted interior and exterior (no hull paint).

Engines: Two Yanmar 6LP 6-cylinder diesel engines, each generating 300 hp at 3,800 rpm, or preapproved acceptable product.

Propulsion: Two Hamilton 241 9.5" jetdrives with power reverse, or preapproved acceptable product.

Fuel: 200 gallon fuel tank.

Steering: Heavy duty mechanical.

Hardware: Aluminum frame top with sunbrella cover and life jacket pockets from aft edge of hardtop to fore edge of engine cover, welded aluminum handrails at

DETAILED SPECIFICATIONS

PROPOSED SPECIFICATIONS

critical areas, nine cleats, 24" aluminum aft side rails, 20" aluminum bow rail, anchor roller, roll control folding tank brackets for ten SCUBA tanks along each of the port and starboard gunwales, hinged 6' stern dive ladder, 9'6" x 3'6" aluminum dive platform on transom, flip down aluminum helm seat, 6' x 36" x 18" removable aluminum center storage seat running fore to aft beginning aft of the helm station.

Equipment:

USCG navigation lights for day and night operation, Group 27 batteries with boxes and switch, Racor 900 M fuel filter/water separators, Groco sea strainer on raw water inlet, Morse MT3 shift and throttle controls, all necessary engine and fuel system gages in dash, all vessel D.C. wiring, D.C. fuse panel with six extra circuits, 12 volt light under hardtop, Hella 55 watt halogen afterdeck light on aft edge of hardtop roof, two windshield wipers, electric trumpet horn, two 1750 gph bilge pumps with automatic switches, all necessary zincs, 12 volt adapter outlet near dash, Ritchie SS1000 compass, Furuno 1721 24-mile radar with CRT and radome antenna, Apelco 365 depth sounder with transom mount, Icom M59 VHF radio with antenna, Magellan Differential Beacon Receiver with antenna, 5 gallon capacity Porta Potti in head compartment.

Performance:
(with 8 persons on board
with dive gear and full
fuel aboard)

Minimum top speed of 36 mph, minimum cruise speed
of 28 mph.

Fuel Consumption:
(with 8 persons on board
with dive gear and full
fuel aboard)

No more than 14 gph at cruise speed of 28 mph.

Trailer:

Tricker 14,500 lb. galvanized tri-axle bunk trailer
With electric brakes, all lighting for legal
on-road operation, and spare tire.

DETAILED SPECIFICATIONS

PROPOSED SPECIFICATIONS

Manner, time and
place of delivery:

Delivered via barge within One hundred, twenty (120)
calendar days of the commencement date as specified
on the "Notice to Proceed" to Kahului Harbor, Maui,
Hawai'i.

Delivery status:

"Turn-key" package, all systems and components
installed and tested for immediate operation.

Warranty:

Hull - minimum of five (5) years
All other components - minimum of one (1) year

VHF/RADAR/GPS/DEPTH RECORDER

Install VHF, radar, GPS and Depth Recorder Units and antennae as required. VHF antenna will be mounted on stainless steel ratchet. Depth recorder transducer shall be mounted on the transom so as to prevent trubulence interference.

Installation of all electronic equipment shall be in a manner to minimize damage from saltwater and air. All wiring and connections shall be coated with material to minimize corrosion or rust to wiring and connections. All electronic equipment installations shall be grounded as not to caruse a short in the system which may affect the radio equipment.

Antennae shall be installed on the top of the hardtop so as to minimize the distance between the antennae and their respective transmitters/receivers.

All electrical equipment shall be protected with proper AMP fuses to protect from short in system.

SPECIAL PROVISIONS

SCOPE

The furnishing and delivering of a new 1998 Patrol vessel with Cuddy Cabin and Trailer for the Department of Land and Natural Resources, Kaho'olawe Island Reserve Commission shall be subject to the Specifications, these Special Provisions and the General Terms and Conditions dated September 1, 1995 and included by reference. Copies of the General Terms and Conditions are available at the State Procurement Office, Room 416, 1151 Punchbowl Street, Honolulu, Hawaii 96813 and on the Internet at <http://www.state.hi.us>.

CONTRACT ADMINISTRATOR

For the purposes of this contract, Mr. Marc Hodges, Department of Land and Natural Resources, Kaho'olawe Island Reserve Commission, acting either directly or through his authorized representative, is designated Contract Administrator. The telephone number at which he may be reached is (808) 586-0761.

FEDERAL FUNDS

It is understood and agreed to by all bidders that the contract resulting from this Invitation for Bids shall be construed to be an agreement to pay the obligation under the contract only out of federal funds to be received from the federal government when the federal funds are so received and shall not be construed as a general agreement to pay such obligation at all events out of any funds other than those which are received from the federal government.

BIDDER QUALIFICATION

Service Facility. At the time of bidding, offeror shall have an established place of business with reasonable inventory of replacement parts and shop facility for repairing and servicing the vehicles offered. Such facility shall be located in the State of Hawaii.

If offeror does not have a facility in the State of Hawaii, he shall arrange with a company in the State to provide the State with repair services, and shall furnish the name and address of this facility in the space provided on Offer Form, page OF-2. The State reserves the right to inspect offeror's repair and service shop to determine acceptability under this requirement. Failure on the part of the offeror to meet this requirement shall result in rejection of bid.

BID PREPARATION

Offeror Form, Page OF-1. Offeror is requested to submit its offer using offeror's exact legal name as registered with the Department of Commerce and Consumer Affairs, if applicable; and to indicate exact legal name in the appropriate space on Offer Form, page OF-1. Failure to do so may delay proper execution of the contract.

Offeror's authorized signature shall be an original signature in ink. If Offer Form, page OF-1, is unsigned or the affixed signature is a facsimile or a photocopy, the offer shall be automatically rejected unless accompanied by other material, containing an original signature, indicating the offeror's intent to be bound.

Tax Liability. The following information is provided to assist vendors in determining their tax liability under this solicitation. For additional information and assistance, bidders may call the State of Hawaii Department of Taxation, telephone (800) 222-3229 or (808) 587-1455.

The "State of Hawaii Information on Hawaii State Taxes Administered by the Department of Taxation", Publication 1 (November 1993) is included herein by reference and available at the State Procurement Office, 1151 Punchbowl Street, Room 416, Honolulu, Hawaii 96813, upon request.

Hawaii vendors. A vendor doing business in the State of Hawaii, as evidenced by its Hawaii general excise tax (GET) license number, is liable for the Hawaii GET, currently 4%, and applicable use tax, currently 1/2%, resulting from this solicitation.

Out-of-state vendors without a Hawaii GET license. Due to the scope of work under this solicitation, an out-of-state vendor not possessing a Hawaii GET license, but having "sufficient presence in Hawaii" as evidenced by a "yes" response to at least one of the questions in the attached Tax Equalization Certificate, is liable for the GET and applicable use tax. Out-of-state vendors not possessing a Hawaii GET license shall complete the attached certificate.

However, if an out-of-state vendor not possessing a Hawaii GET license has "sufficient presence in Hawaii" due solely to a "yes" answer to question number 4 of the Tax Equalization Certificate, drop ships the goods required herein and subcontracts the entire service portion of the contract to be awarded, then the out-of-state vendor is not liable for the taxes. If the out-of-state vendor is subcontracting this portion of the work, the name of the subcontractor shall be furnished on the certificate.

Failure to complete the certificate and to furnish the name(s) of subcontractor(s), if any, may result in the rejection of the offer or application of the tax equalization provision below.

Tax-Exempt Vendors. If an offeror is a person exempt by the HRS from paying the GET and use tax and therefore not liable for the taxes under this solicitation, offeror shall state its tax exempt status and cite the HRS chapter or section allowing the exemption.

Bid Quotation. Bid price quoted shall be an all inclusive price based on delivery to destination and shall include all other costs and applicable taxes. Bid price quoted shall also include, when applicable, costs for installation of accessories, modifications of unit, and instructional training in use of vessel and its equipment.

Tax Clearance. An **original or certified copy** of a tax clearance certificate issued by the Hawaii State Department of Taxation (DOTAX) and the Internal Revenue Service (IRS) must be submitted with offeror's sealed offer by the due date and time.

The tax clearances from DOTAX and IRS shall be obtained on the attached one-page, two-sided **Tax Clearance Application (Form A-6, Rev.1998)** which is accompanied by Instructions that offerors should carefully read. Effective March 1, 1998, only this revised Form A-6 will be accepted by DOTAX and IRS.

Out-of-state offerors should mail their application to DOTAX's Oahu District Office.

Effective 12/1/97 tax clearance certificates are valid for a **six-month** (not 180 day) period beginning on the later dated DOTAX or IRS approval stamp. For example, a 12/15/97 certificate is valid through 6/15/98.

The tax clearance submitted with the sealed offer must be valid on the solicitation's legal ad date or any date thereafter up to the offer due date. A valid tax clearance received with the offer will remain valid for the contract award.

For the purpose of this solicitation the State Procurement Office will accept the attached completed SPO Form TEMP B, "Certification for Tax Clearance" in place of the DOTAX Form A-6 (Rev.1998), if offeror is unable to obtain a tax clearance certificate in time for submittal with the sealed offer. However, the successful offeror is required to submit a tax clearance certificate prior to award.

NOTE: The above tax clearance requirement is in addition to the existing requirement for final payment. Refer to the special provisions on INVOICING

below for information on the tax clearance requirement for final payment.

Preapproved Acceptable Products. The ALMAR, "Sounder" aluminum boat with Cuddy Cabin and Trailer as described herein has been approved and sets the standard of quality but is not intended to restrict bidders from bidding other products that are equal to or exceed the quality of the "Preapproved Acceptable Product" that is listed herein. If a bidder wishes to offer a product not listed herein, the bidder shall submit the following: product specifications on copies of Specification pages S-2 through S-4 and shall annotate the areas of exception; literature and/or other pertinent information for evaluation to Mr. Marc Yamamoto, State Procurement Office, 1151 Punchbowl Street, Room 416, Honolulu, Hawaii 96813, no later than **4:00 p.m. (H.S.T.), May 22, 1998.**

If requested by the State, bidder shall provide a sample or a demonstration of the product being offered. Product sample or demonstrated model must substantially meet the make and model no. being offered. The State reserves the right to determine product acceptability based on product sample or demonstration and its decision shall be final.

Any product determined by the State, upon evaluation, to be an acceptable equal to the listed brand, will be listed on an addendum that will be issued at least five (5) working days prior to the bid opening date. Failure to submit for preapproval shall be sufficient ground for rejection of a bid item or items.

Make, Model and Other Information. Bidder must identify on the offer the year of manufacture, the exact manufacturer name and make and model number of vessel offered. Failure to do so or the inclusion of remarks such as "as specified" shall be sufficient grounds for rejection of bid.

If additional space is needed to provide complete product identification, bidder may attach a separate sheet to the bid for that purpose. No bidder will be allowed to clarify product identification after bid opening. This is to assure that all bids are submitted under the same conditions with no opportunity for one bidder to have an advantage over any other bidder after exposure of offers. Failure to offer equipment as specified will result in rejection of bid.

Offer Guaranty. **Bid security deposit is not required for this bid.**

METHOD OF AWARD

Award, if any, shall be made to the responsive, responsible bidder submitting the lowest Total Bid Price. Offerors shall bid on both items to qualify for award.

CONTRACT EXECUTION

For contract award totaling \$25,000 or more, the State shall forward a formal contract to the successful bidder for execution. The contract shall be executed by the Contractor and returned within ten (10) days in accordance with Section 3.3 of the General Terms and Conditions. No performance or payment bond shall be required for this contract.

No work is to be undertaken by the Contractor prior to the commencement date specified on the Notice to Proceed. The State of Hawaii is not liable for any work, contract, costs, expenses, loss of profits, or any damages whatsoever incurred by the Contractor prior to official starting date.

QUALITY OF EQUIPMENT

New vessel furnished under this provision shall be of the best quality of its respective kind, and shall be completely assembled and free from defects which may render them unfit for use. No payment, whether partial or final, shall be construed to be an acceptance of defective work.

Vessel furnished shall include and comply with all Federal, USCG, State and local safety ordinances.

SPECIAL PROVISIONS

The State may, at any time and by written order, stop delivery of any vehicle not conforming to these specifications. Such stop order shall not relieve the Contractor of his obligation to complete his contract within the contract time limits nor shall it in any way terminate, cancel or abrogate the contract or any part thereof.

DELIVERY

Vessel furnished under these specifications shall be delivered to the location listed on the Offer Form page OF-2.

New vessel furnished under these specifications shall be delivered within one hundred twenty (120) calendar days of the official commencement date on the Notice To Proceed. Representatives of both the Contractor and State shall be present at the delivery site for purposes of visual inspection, acceptance, and, if necessary, for instruction in use of equipment.

Prior to delivery, Contractor must contact the State representative listed to coordinate delivery arrangements.

CERTIFICATES REQUIRED

- a. Notarized Certificate of Bill of Sale for new patrol vessel
- b. Notarized Certificate of Bill of Sale for new trailer

These certificates are essential for the proper registration and licensing of new vessel and trailer. Therefore, acceptance of and payment for the vessel delivered will not be made without submittal of necessary certificates. The agency shall be responsible for registering and licensing of this vessel.

LIQUIDATED DAMAGES

Refer to Section 6.12 of the General Terms and Conditions. Liquidated damages is fixed at the sum of TEN DOLLARS (\$10.00) for each and every day the Contractor delays in the completion of any item of his contract after the required date of said completion.

DELIVERY EXTENSION

Contractor shall complete delivery within one hundred twenty (120) calendar days from the official commencement date on the Notice to Proceed as noted in the DELIVERY provision. If Contractor fails to deliver within the time allowed, liquidated damages as specified herein shall apply. However, Contractor will not be held responsible for delays due to reasons beyond his control, provided he submits written notification of such delays 30 days prior to the delivery deadline. This notification shall be submitted to the Procurement Officer and shall detail the reasons for the delays and shall include appropriate documentation. **No delivery extension will be considered without proper documentation.**

INVOICING

Contractor shall submit original and three copies of the invoice to the following address:

Kaho'olawe Island Reserve Commission
33 South King Street, Room 501
Honolulu, Hawaii 96813
Attention: Marc Hodges

Invoice should reference both the contract number and the Invitation For Bids number.

A tax clearance certificate must accompany the invoice for final payment and shall be an original or certified copy, not over two-months old.

PAYMENT

Section 103-10, Hawaii Revised Statutes (HRS), provides that the State shall have thirty (30) calendar days after receipt of invoice or satisfactory delivery of goods to make payment. For this reason, the State will reject any bid submitted with a condition requiring payment within a shorter period. Further, the State will reject any bid submitted with a condition requiring interest payments greater than that allowed by Section 103-10, HRS, as amended.

The State will not recognize any requirement established by the Contractor and communicated to the State after award of the contract, which requires payment within a shorter period or interest payment not in conformance with statute.

INSTALLATION/INSTRUCTIONAL/MAINTENANCE MANUALS

Operator's Manual. The Contractor shall supply one Operator's Manual for each vessel delivered. This manual shall provide a basic operational description of the equipment and the maintenance requirements to ensure optimal vessel performance and safety. The manual shall be short, simple and shall include pictures or diagrams showing the locations of all fill and overpressure valves, and if needed, a schedule of retorquing the fastening screws and the required torque for each fastener type.

Service/Maintenance Manual. The Service/Maintenance manual shall consist of a printed section that details the proper inflatable tube assembly installation procedures.

WARRANTY

Equipment furnished shall be fully guaranteed by the Contractor against defects resulting from the use of defective or inferior materials or from neglect workmanship or against all design and manufacturing defects. **Warranty period shall begin from the date equipment is accepted and placed in service and shall be for a minimum period of five (5) years for the hull, one (1) year for all other components or for the period guaranteed by the manufacturer, whichever is longer.** Warranty documents shall be delivered with the vessel and shall detail manufacturer's obligation and warranty procedures. Contractor shall replace or repair defective material and/or workmanship at no cost to the State for parts and labor during the warranty period, provided such defects are not due to abuse or negligence on the part of the State.

ADDITIONS AND EXCEPTIONS TO THE GENERAL TERMS AND CONDITIONS

Approvals. Any agreement arising out of this offer is subject to the approval of the Department of the Attorney General as to form, and to all further approvals, including the approval of the Governor, required by statute, regulation, rule, order, or other directive.

Cancellation of Solicitations and Rejection of Offers. The solicitation may be cancelled or the offers may be rejected, in whole or in part, when in the best interest of the purchasing agency, as provided in Sections 3-122-95 through 3-122-97, Hawaii Administrative Rules.

Provisions from the General Terms and Conditions Not Applicable. Sections 2.11 and 2.14 of the General Terms and Conditions which apply specifically to the Request for Proposals method of source selection are not applicable to Invitation for Bids. Also Sections 2.10 and 2.13 which apply specifically to the Invitation for Bids method of source selection are not applicable to Requests for Proposals.

Records Retention. The Contractor and any subcontractors shall maintain the books and records that relate to the Agreement and any cost or pricing data for three (3) years from the date of final payment under the Agreement.

Preparation of Offer. General Terms and Conditions Section 2.5, paragraph four, is rescinded and replaced with the following:

"An offeror may submit only one offer in response to a solicitation. If an offeror submits more than one offer in response to a solicitation, then all such offers shall be rejected. Similarly, an offeror may submit only one offer for each line item (if any) of a solicitation. If an offeror submits more than one offer per line item, then all offers for that line item shall be rejected."

Preference for Hawaii Products. General Terms and Conditions Section 3.1(B), paragraphs one and two only are rescinded and replaced with the following: "A purchasing agency shall review all specifications in a bid or proposal for purchase from the Hawaii products list where these products are available; provided that the products: Meet the minimum specifications and the selling price f.o.b. jobsite; unloaded, including applicable general excise tax and the use tax does not exceed the lowest delivered price in Hawaii f.o.b. jobsite; and unloaded, including applicable general excise tax and use tax does not exceed the lowest delivered price of a similar non-Hawaii product by more than: three per cent where class I Hawaii products are involved; five per cent where class II Hawaii products are involved; or ten per cent where class III Hawaii products are involved."

All persons submitting bids or proposals to claim Hawaii products preference shall designate in their bids which individual product and its price is to be supplied as a Hawaii product.

Where a bid or proposal contains both Hawaii and non-Hawaii products, then for the purpose of selecting the lowest bid or purchase price only, the price bid or offered for a Hawaii product item shall be decreased by subtracting therefrom: three per cent, five per cent, or ten per cent for the class I, class II, or class III Hawaii product items bid or offered, respectively. The lowest total bid or proposal, taking the preference into consideration, shall be awarded the contract unless the bid or offer provides for additional award criteria. The contract amount of any contract awarded, however, shall be the amount of the bid or price offered, exclusive of the preferences."

Printing Preference. General Terms and Conditions Section 3.1(C), paragraphs one and two are rescinded and replaced with the following: "All bids or proposals submitted for a printing, binding, or stationery contract in which all work will be performed in-state, including all preparatory work, presswork, bindery work, and any other production-related work shall receive a fifteen per cent preference for purposes of bid or proposal evaluation."

Where bids or proposals are for work performed in-state and out-of-state, then for the purpose of selecting the lowest bid or evaluating proposals submitted only, the amount bid or proposed for work performed out-of-state shall be increased by fifteen per cent. The lowest total offer, taking the preference into consideration, shall be awarded the contract unless the solicitation provides for additional award criteria. The contract amount awarded, however, shall be the amount of the price offered, exclusive of the preference."

Bond Forms. The bond forms, Exhibits B through H, are replaced by the forms issued by the Procurement Policy Board Directive No. 1997-01, dated November 12, 1997, included herein by reference and made a part hereof. Copies of the bond forms are available at the State Procurement Office, 1151 Punchbowl Street, Room 416, Honolulu, Hawaii 96813.

TAX EQUALIZATION CERTIFICATE

SUBJ: Offer No.: IFB/RFP-_____

Description: _____

(To be filled in by prospective offeror)

Out-of-State offerors not possessing a Hawaii General Excise Tax (GET) license must answer all questions:

- | | <u>Yes</u> | <u>No</u> |
|---|------------|-----------|
| | (check | only |
| | one) | |
| 1. Does your business have an office, inventory, property, employees, or other representation in the State of Hawaii (hereinafter SOH)? | ___ | ___ |
| 2. Does the contract to be awarded require your business to have an office, inventory, property, employees, or other representation in the SOH? | ___ | ___ |
| 3. Does your business provide services in conjunction with the sales of property, such as training, installation, or repairs in the SOH? | ___ | ___ |
| 4. Will your business provide any services in the SOH under the contract to be awarded? | ___ | ___* |

*If the entire services are to be subcontracted, subject to the State's approval, provide the names of the subcontractor(s):

If you answered "Yes" to any question, then you have sufficient presence in the State and are advised that the gross receipts derived from this solicitation are subject to the GET imposed by Chapter 237, HRS, at the current 4% rate, and where applicable to tangible property imported into the SOH for resale, subject to the current 1/2% use tax imposed by Chapter 238, HRS.

If you answered "No" to all questions, then the tax equalization provision described in Section 103-53.5, HRS, applies to you.

Offeror _____

Signature _____

Title _____

Date _____